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SANTANA'S GRILL, INC.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

ARTURO SANTANA GALLEGO

Petitioner,

v.

SANTANA'S GRILL, INC.

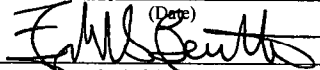
Registrant.

Cancellation Nos. 92043152
(Consolidated) 92043160
92043175

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Board, Trademark Assistance Center,
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April 22, 2005

(Date)


Frederick S. Berretta

REGISTRANT'S RESPONSE TO PETITIONER'S MOTION TO STRIKE AND REPLY
IN SUPPORT OF REGISTRANT'S MOTION FOR SUMMARY JUDGMENT



04-25-2005

I. INTRODUCTION

Registrant hereby submits this Response to Petitioner's Motion to Strike and brief Reply in Support of Registrant's Motion for Summary Judgment to address certain erroneous statements and legal conclusions in Petitioner's Opposition to Registrant's Motion.

II. REGISTRANT'S MOTION FOR SUMMARY JUDGMENT WAS TIMELY

Petitioner moved to strike Registrant's Motion as untimely because Registrant filed it after February 14, 2005. That argument is baseless. Petitioner appears to be confusing the discovery cutoff date with the opening date of the first testimony period. Pursuant to section 528.02 of the Trademark Trial and Appeal Board Manual of Procedure ("TBMP"), "[a] motion for Summary Judgment should be filed before the opening of the first testimony period, as originally set or reset." TBMP § 528.02; *see also* 37 C.F.R. § 2.127(e)(1). Per the Board's scheduling order, as modified by the parties' stipulation, the first testimony period was to begin on March 11, 2005 (thirty days prior to the stated end of the period, April 10, 2005). Registrant filed its Motion on February 28, 2005, eleven days prior to the opening of the first testimony period. Registrant's Motion was timely; the Board should therefore deny Petitioner's Motion to Strike.

III. REGISTRANT OWNS THE MARKS AT ISSUE

A. Registrant Acquired the "Santana's Mexican food...ES MUY BUENO" mark when it purchased the Point Loma Restaurant

Petitioner argues that Registrant's acquisition of the Point Loma Restaurant could not have transferred rights to the SANTANA'S MEXICAN FOOD...ES MUY BUENO mark because the transfer was not a sale of the entire business. Petitioner's Br. at 12-13. In support, Petitioner cites to an inapposite section of McCarthy. The cited section deals with whether a

party that has acquired a mark has acquired all goodwill associated with that mark such that it “can claim in advertising all of the history and experience of the seller’s business as its own history and experience.” McCarthy on Trademarks § 18:22. McCarthy notes that a purchaser of a mark cannot make such representations when it has purchased only a portion of a business that is divided (i.e., among different lines of business or geographies). *Id.* This does not affect Registrant’s claim to priority because it acquired the undisputed senior user of the SANTANA’S MEXICAN FOOD mark when it acquired the Point Loma restaurant at 1480 Rosecrans Street.

Petitioner also argues that Registrant “fail[s] to address the continued existence of the Yucca Valley Restaurant before and after they [sic] acquired the Point Loma Restaurant. Petitioner’s Br. at 13. There is no dispute that Registrant acquired the restaurant that first used the SANTANA’S MEXICAN FOOD...ES MUY BUENO mark. Petitioner’s Br. at 2. There is thus no dispute that the Yucca Valley Restaurant was the second user of the mark. As such, Arturo Castaneda cannot possibly have rights superior to those of Registrant. Registrant contends that Mr. Castaneda is at best an intermediate junior user, and might have some limited local area rights to the SANTANA’S MEXICAN FOOD...ES MUY BUENO mark. *See* McCarthy, § 26:44; *see also* Registrant’s Mem. of P. & A. at 15-16 n.15.

Petitioner argues that Registrant’s infringement contentions estop Registrant from arguing that, because it is in a remote geographic location, the Yucca Valley Restaurant was not relevant to the goodwill and business transferred to Registrant. Petitioner’s Br. at 13-14. That argument fails for multiple reasons. First, any limited rights Arturo Castaneda may have for local use would extend only to the SANTANA’S MEXICAN FOOD...ES MUY BUENO mark. As an intermediate junior user, after registration he has no right to expand his use to other areas by opening additional restaurants using that mark. McCarthy § 26:44; *see also Burger King of*

Fla., Inc. v. Hoots, 403 F.2d 904 (7th Cir. 1968) (enjoining an intermediate junior user from opening a restaurant outside of its use area). Further, Mr. Castaneda has no rights to use the two marks created by Registrant – SANTANA’S MEXICAN GRILL and SANTANA’S MEXICAN FOOD... ES MUY BUENO HOME OF THE FAMOUS CALIFORNIA BURRITO and design. Infringement of these two marks is also an issue in the underlying litigation. In short, Registrant’s allegations are entirely consistent.

Citing a California statute, Petitioner also argues that Mr. Santana Gallego has superior rights because he was the first to file a fictitious business name statement. Petitioner’s Br. at 19. This argument has numerous problems. First, it is questionable that these state statutes have any effect on issues regarding Federal registrations of trademarks. Second, the cited statute, Cal. Bus. & Prof. Code § 14416, does not apply to this case. That section states that where a corporation is entitled to a presumption of ownership of a name because it has filed its articles of corporation, see Cal. Bus. & Prof. Code § 14415, and an individual is entitled to a presumption of ownership as the first to file a fictitious business statement, see Cal. Bus. & Prof. Code § 14411, whoever filed their respective papers first prevails. Cal. Bus. & Prof. Code § 14416. Third, if any California statute applies, it is section 14412, stating that the first to file a fictitious business name is entitled to a presumption of ownership of the name, unless the first filer has abandoned that name. Cal. Bus. & Prof. Code § 14416. There is no dispute that Mr. Gallego abandoned the name so that Registrant could file a fictitious business name statement. Exs. 7, 8.

B. Petitioner Has Presented No Credible Argument That *Petitioner* Owns The SANTANA’S MEXICAN GRILL Mark

Petitioner’s only argument that it owns the SANTANA MEXICAN GRILL mark is based upon the first use of that mark by Arturo Santana Lee, his alleged “licensee” of a different mark. Petitioner’s Br. at 19-20. Petitioner cites no evidence or legal authority to support this novel

proposition, and Registrant has presented substantial evidence that Arturo Santana Lee was *Registrant's* employee and licensee of the mark at issue. Exs. 12-16. Moreover, Petitioner has no standing to assert that Arturo Santana Lee was the first to use the SANTANA'S MEXICAN GRILL mark and is therefore the owner of that mark as a basis for cancellation of the Registration. *See* McCarthy § 20:47 (“[P]ossible rights of a third party do not give petitioner standing to cancel the registration.”).

C. Registrant Did Not Commit Fraud In Registering The Marks At Issue

Petitioner argues that Registrant committed fraud by not identifying that its date of first use was predicated on use by a predecessor. Petitioner's Br. at 15-16. To support that argument, he cites two cases. Neither case, however, holds that an applicant *must* state that its first use was by a predecessor. *Smith Int'l, Inc. v. Olin Corp.*, 209 U.S.P.Q. 1033, 1044 (T.T.A.B. 1981); *Electro-Coatings, Inc. v. Precision Nat'l Corp.*, 204 U.S.P.Q. 410, 418 n.5 (T.T.A.B. 1979). Further, a decision on whether an applicant must state such use by a predecessor was not essential to a holding in either case. *See Smith*, 209 U.S.P.Q. at 1044; *Electro-Coatings*, 204 U.S.P.Q. at 418 n.5. That issue was squarely presented and decided in the two cases Registrant cited in its Motion. In both cases, the Trademark Trial and Appeal Board held that an applicant's failure to identify a first use by a predecessor was not fatal to its registration. *Airport Canteen Servs., Inc. v. Farmer's Daughter, Inc.*, 184 U.S.P.Q. 622, 628 (T.T.A.B. 1974) (“The fact that there was no recitation in the application that such early use was by predecessors in interest is in no way fatal to the application because Trademark Rule 2.38(a) merely states that . . . such use may be asserted . . . Thus, this rule appears to be permissive rather than mandatory.”); *Gaylord Bros., Inc. v. Strobel Prods. Co.*, 140 U.S.P.Q. 72, 74 (T.T.A.B. 1963).

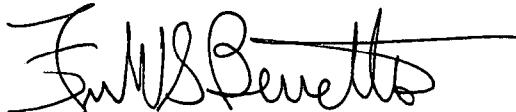
IV. CONCLUSION

For all these reasons, the Board should deny Petitioner's Motion to Strike and grant Registrant's Motion for Summary Judgment.

Respectfully submitted,

KNOBBE, MARTENS, OLSON & BEAR, LLP

Dated: April 22, 2005

By: 
Frederick S. Berretta
AnneMarie Kaiser

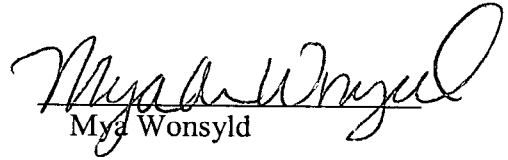
Attorneys for Registrant
SANTANA'S GRILL, INC.

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CERTIFICATE OF SERVICE

I hereby certify that I served a copy of the foregoing **REGISTRANT'S RESPONSE TO PETITIONER'S MOTION TO STRIKE AND REPLY IN SUPPORT OF REGISTRANT'S MOTION FOR SUMMARY JUDGMENT** upon Petitioner's counsel by placing it in a sealed envelope, via First Class Mail, postage prepaid, on April 22, 2005, addressed as follows:

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